SENATE BILL NO. 859

March 18, 2026, Introduced by Senator CAMILLERI and referred to Committee of the Whole.

A bill to amend 1979 PA 94, entitled

"The state school aid act of 1979,"

by amending sections 11 and 17b (MCL 388.1611 and 388.1617b), section 11 as amended by 2025 PA 15 and section 17b as amended by 2007 PA 137.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 11. (1) ~~For the fiscal year ending September 30, 2025, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of $17,936,546,300.00 from the state school aid fund, the sum of~~

~~$78,830,600.00 from the general fund, an amount not to exceed $41,000,000.00 from the community district education trust fund created under section 12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262, an amount not to exceed $125,000,000.00 from the school transportation fund created under section 22k, an amount not to exceed $71,000,000.00 from the enrollment stabilization fund created under section 29, an amount not to exceed $30,000,000.00 from the school meals reserve fund created under section 30e, an amount not to exceed $18,000,000.00 from the great start readiness program reserve fund created under section 32e, an amount not to exceed $481,400,000.00 from the MPSERS retirement obligation reform reserve fund created under section 147b, and an amount not to exceed $30,000,000.00 from the educator fellowship public provider fund created in section 27d.~~ For the fiscal year ending September 30, 2026, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of ~~$18,366,334,700.00~~ **$100.00** from the state school aid fund, the sum of ~~$73,151,100.00~~ **$100.00** from the general fund, an amount not to exceed ~~$100,000,000.00~~ **$100.00** from the school consolidation and infrastructure fund created under section 11x, an amount not to exceed ~~$125,000,000.00~~ **$100.00** from the school transportation fund created under section 22k, an amount not to exceed ~~$71,000,000.00~~ **$100.00** from the enrollment stabilization fund created under section 29, an amount not to exceed ~~$18,000,000.00~~ **$100.00** from the great start readiness program reserve fund created under section 32e, an amount not to exceed ~~$30,000,000.00~~ **$100.00** from the educator fellowship public provider fund created under section 27d, an amount not to exceed ~~$97,037,400.00~~ **$100.00** from the state school aid pupil support reserve fund created under section 22r,

and an amount not to exceed ~~$600,000.00~~ **$100.00** from the general pupil support reserve fund created under section 22s. In addition, all available federal funds are only appropriated as allocated in this article for the fiscal ~~years~~ **year** ending ~~September 30, 2025 and~~ September 30, 2026.

(2) The appropriations under this section are allocated as provided in this article. Money appropriated under this section from the general fund must be expended to fund the purposes of this article before the expenditure of money appropriated under this section from the state school aid fund.

(3) Any general fund allocations under this article that are not expended by the end of the fiscal year are transferred to the school aid stabilization fund created under section 11a.

Sec. 17b. (1) Not later than October 20, November 20, December 20, January 20, February 20, March 20, April 20, May 20, June 20, July 20, and August 20, the department shall prepare electronic files of the amount to be distributed under this act in the installment to the districts and intermediate districts and deliver the electronic files to the state treasurer, and the state treasurer shall pay the installments on each of those dates or, if the date is not a business day, on the next business day following that date. Except as otherwise provided in this act, the portion of the district's or intermediate district's state fiscal year entitlement to be included in each installment shall be 1/11. A district or intermediate district shall accrue the payments received in July and August to the school fiscal year ending the immediately preceding June 30.

(2) The state treasurer shall make payment under this section by drawing a warrant in favor of the treasurer of each district or

intermediate district for the amount payable to the district or intermediate district according to the electronic files and delivering the warrant to the treasurer of each district or intermediate district, or if the state treasurer receives a written request by the treasurer of the district or intermediate district specifying an account, by electronic funds transfer to that account of the amount payable to the district or intermediate district according to the electronic files. The department may make adjustments in payments made under this section through additional payments when changes in law or errors in computation cause the regularly scheduled payment to be less than the amount to which the district or intermediate district is entitled pursuant to this act.

(3) Except as otherwise provided in this act, grant payments to districts and intermediate districts under this act ~~shall~~ **must** be paid according to the installment schedule under subsection (1).

(4) Upon the written request of a district or intermediate district and the submission of proof satisfactory to the department of a need of a temporary and nonrecurring nature, the superintendent, with the written concurrence of the state treasurer and the state budget director, may authorize an advance release of funds due a district or intermediate district under this act. An advance authorized under this subsection shall not cause funds to be paid to a district or intermediate district more than 30 days earlier than the established payment date for those funds.